



by Senator Jim Honeyford, Ranking Republican Member  
Senate Environment, Water and Energy Committee

## **SPECIAL LEGISLATIVE ALERT**

### **Cap-and-tax survives bill action deadline, passes out of Environment, Water and Energy Committee**

February 25, 2009

Dear Friends,

On February 24, Democrats on the [Senate Environment, Water and Energy Committee](#) passed out [Senate Bill 5735](#), which in its original form would have created a regional cap-and-tax system.

A [substitute bill](#), which Democrats deemed necessary in order to get enough votes to move the bill out of committee, made many parts of the program voluntary.

My amendment, which passed with a vote of 6-5 and was incorporated into the substitute bill, establishes clear state guidelines for moving forward with any regional program.

Despite these improvements, my Republican colleagues and I voted against the final version of the bill because we still have many serious concerns about this legislation.

### ***Our economy is bleeding jobs and this bill sends the wrong message to employers***

We recently learned that our state unemployment rate has jumped to 7.8 percent, there are nearly 304,000 Washingtonians looking for work, and we have no idea how deep or how long this recession will be.

In other words, this is the worst possible time for the majority party to push through overly sweeping environmental proposals.

This bill, no matter how modest, sends the wrong message at the wrong time. Legislators should be working every day to retain jobs and attract new employers to our state, not passing legislation that will send them running for Idaho and Texas.

This bill moves us one step closer to a cap-and-tax system, which even Ecology acknowledges will result in a “leakage” of jobs and employers out of our state.

Companies will go out of business, and no rational company would ever consider moving to Washington as long as our state is moving towards such a system.

### ***We shouldn't rush into any changes, when President Obama plans to launch a national system***

According to reports in *Stateline*, Gov. Gregoire said the Obama administration “promised” to push a national “cap-and-trade” policy by this summer. She said she was encouraged by that news since businesses in our state were “resisting a regional agreement among Western governors” for fear their costs would be greater than those of companies elsewhere in the country, putting them at a disadvantage.

The employers of our state are correct: cap-and-tax *would* put them at a disadvantage. So why scare them by moving in that direction? Smart states are *waiting* for a federal program that will offer at least an even playing field.

### ***This is only a first step, but it is off a tall cliff***

My biggest concern about this bill is that the victories we achieved in committee may be negated by the majority party when the bill hits the full Senate. Gregoire, environmental activists, and Democrats in the Legislature are determined to institute a full cap-and-tax scheme.

They may claim this bill is voluntary, but how long will that last? Will it make it past the Senate floor? Past the House? Will it make it past next session?

Cap-and-tax is just a bad idea. It is bad for workers, employers, consumers, and electricity customers. Under cap-and-tax businesses that are barely holding on right now would be forced to pay for expensive carbon credits or face massive fines. Many manufacturers would simply shut down operations or whole facilities to fit under the cap or to seek a profit from selling their extra carbon credits. This would cost our economy billions of dollars and thousands of jobs.

In the year after California's “cap-and-trade” legislation was signed into law, that state led the nation in job losses – in anticipation of the new mandates. In the past year alone California lost 95,000 private-sector jobs, and the so-called California Global Warming Solutions Act of 2006 now represents a serious threat to the few manufacturing jobs left. Can Washington risk this reaction?

## WHAT CAN YOU DO?

If we don't keep the pressure on the majority party will continue to push for a cap-and-tax system that will put your freedom and your wallet at risk.

It is important that you keep pressure on your elected officials to reject any proposal to establish a cap-and-trade, or cap-and-tax, scheme.

Here are some ways you can contact the governor and let her know how you feel about these so-called "green" proposals **(like SB 5735) that will increase your electric bill and make it harder for you or your neighbors to find a job:**

### Write Gov. Gregoire a Letter:

Governor Chris Gregoire  
PO Box 40002  
Olympia, WA 98504-0002  
FAX: (360) 753-4110

### Call Gov. Gregoire's Office:

(360) 902-4111  
(For relay operators for the deaf or hearing impaired, please dial 7-1-1.)

What's more: We can expect cap-and-tax to increase the cost of electricity, natural gas, gasoline, diesel fuel and any item transported within our state – including food.

Utilities are legally obligated to serve their customers and would be forced to pay for these carbon credits no matter the cost. This cost would ultimately be passed on to customers.

Who would suffer the most from this spike in energy prices? The poor, who are disproportionately affected by higher fuel and electricity prices, and pay a higher percentage of their monthly income for food.

I am proud Senate Republicans will continue to oppose this job-killing scheme and support environmental proposals that help improve the environment without sacrificing your job or your neighbors' jobs.

Sincerely,



*For more information, contact:*

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